

THE IMPACT OF ENTREPRENEURIAL
EDUCATION AND TRAINING ON STUDENT'S
ENTREPRENEURIAL INTENTION

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SUPERVISOR APPROVAL

'I here by declare that have read this thesis and in our research is sufficient in terms of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward Bachelor Degree of Technopreneurship'

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THE IMPACT OF ENTREPRENEURIAL EDUCATION AND TRAINING ON
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“I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.”

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ABSTRACT

The importance of entrepreneurship has been the centre of attention and is widely recognised both politically and academically in Malaysia. Like in many other developing countries, the growing interest in entrepreneurship in Malaysia can be seen against the background of current developments such as globalisation and the emergence of knowledge based economies. It is also a solution in response to global competition and the practice of corporate downsizing that perhaps has contributed to the problem of unemployment, especially among graduates. This research project aimed to identify effect of entrepreneur education on student's entrepreneurial intention. Many universities internationally are currently offering entrepreneurship as a taught subject. In addition, these courses are not only offered by business schools at the undergraduate and graduate levels, but they are also offered in other faculties, such as engineering and information technology. A reasonable concern is then posed about the capability of universities in preparing university students for choosing entrepreneurship as their viable future career. To address the concern, this study examines the effect of entrepreneurship education by focusing entrepreneurial curriculum and content and entrepreneurial training programmes. This research is to evaluate the effect of the student's demographic factors on entrepreneurial intention and to analyse the effect of entrepreneurial education on student's entrepreneurial intention. A survey was carried out through a set of questionnaires to know which independent variables are effected student's entrepreneurial intentions. The sample

selected comprised of engineering students and business student's in UTeM and a few are from others higher institutes. The data gathered were analyzed using descriptive analysis. The finding sees that there is a significant relationship between entrepreneurial curriculum (independent variable) and entrepreneurial intention (dependent variable). But another independent variable which is entrepreneurial training program does not have any impact to student's entrepreneurial intention.

ABSTRAK

Kepentingan keusahawanan telah menjadi pusat perhatian dan diiktiraf dengan meluas oleh politik dan akademik di Malaysia. Seperti di kebanyakan negara membangun yang lain, minat yang semakin meningkat dalam bidang keusahawanan di Malaysia boleh dilihat dengan latar belakang perkembangan semasa seperti globalisasi dan kemunculan ekonomi berasaskan pengetahuan. Ia juga merupakan penyelesaian sebagai tindak balas kepada persaingan global dan amalan pengurangan pekerja syarikat yang mungkin telah menyumbang kepada masalah pengangguran, terutamanya di kalangan graduan. Projek penyelidikan ini bertujuan untuk mengenal pasti kesan pendidikan usahawan pada niat keusahawanan pelajar. Banyak universiti di peringkat antarabangsa pada masa ini menawarkan keusahawanan sebagai subjek yang wajib. Di samping itu, kursus-kursus ini tidak hanya ditawarkan oleh sekolah-sekolah perniagaan di pra dan pasca siswazah peringkat, tetapi mereka juga ditawarkan di fakulti lain seperti kejuruteraan dan teknologi maklumat. Satu kebimbangan yang munasabah kemudiannya ditimbulkan tentang keupayaan universiti dalam menyediakan pelajar universiti untuk memilih keusahawanan sebagai kerjaya yang berdaya maju masa depan mereka. Untuk mengatasi kebimbangan itu, kajian ini meneliti kesan pendidikan keusahawanan dengan memberi tumpuan kurikulum keusahawanan dan kandungan dan program latihan keusahawanan. Kajian ini adalah untuk menilai kesan faktor-faktor demografi pelajar pada niat keusahawanan dan untuk menganalisis kesan

pendidikan keusahawanan pada niat keusahawanan pelajar. Satu kajian telah dijalankan melalui satu set soal selidik untuk mengetahui pembolehubah yang memberi impak kepada niat keusahawanan pelajar. Sampel dipilih terdiri daripada pelajar kejuruteraan dan pelajar perniagaan di UTeM dan beberapa orang dari institusi lain. Data yang dikumpul dianalisis dengan menggunakan analisis deskriptif. Dapatan kajian melihat bahawa terdapat hubungan yang signifikan di antara kurikulum keusahawanan (pembolehubah bebas) dan niat keusahawanan (pembolehubah bersandar). Tetapi satu lagi pembolehubah bebas iaitu program latihan keusahawanan tidak mempunyai apa-apa kesan kepada niat keusahawanan pelajar.

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CHAPTER I

INTRODUCTION

1.1 Introduction

Entrepreneurial education is all activities aim encouraging thinking that is entrepreneurial, attitude and skill and protect an aspect range like idea generation, start, growth and innovation. Academic students of the entrepreneurial phenomenon have emphasized different aspects of behaviour in business. Austrian economist involved entrepreneurship with *innovation*. (Schumpeter, 1883—1950). Meanwhile, Schumpeter colleague at Harvard involved entrepreneurship with activity that is *full objective and organisation creation*. (Cole, 1889—1980), and management teacher, determines entrepreneurship as *a discipline*. (Drucker, 1909—2005).

There are many elements that should have in entrepreneur subject. One of the elements is seeing efficiency entrepreneurship that is major embedded into student, offering student at least a practical entrepreneurial experience before leaving

compulsory education, improving entrepreneurship training to students with source that support national job plans , and encouraging entrepreneurial learning modules for students join any association.

Entrepreneurial education will challenge students' entrepreneurial knowledge and provide with students' motivation and skill to start a business, and obtain financing for students. Besides that, students will learn how to start a business, engaging with business industry and generate income.

Entrepreneur is an individual who, rather than working as an employee, runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of the new ideas and business processes.

Entrepreneurs play the most important role in economy of every country. They are the people who have the skills and initiative necessary to take good new ideas to market and make the right decisions to make the idea profitable. The reward for the risks taken by entrepreneur is the potential economic profits that the entrepreneur could earn.

Meanwhile, entrepreneurship is the process of starting a business or other organization. The entrepreneur develops a business model, acquires the human and other required resources, and is fully responsible for its success or failure.

The first factor for entrepreneurial success is interest. Since entrepreneurship pays off according to performance rather than time spent on a particular effort, an entrepreneur must work in an area that interests her. Otherwise, she will not be able to maintain a high level of work ethic, and she will most likely fail. This interest must also translate into a vision for the company's growth. Even if the day-to-day activities of a business are interesting to an entrepreneur, this is not enough for success unless she can turn this interest into a vision of growth and expansion.

1.2 Research Background

Entrepreneurship and entrepreneurial education, beside evident advantages, like promoting business start-ups, has also a wider market potential (Holmgren et al., 2004).

Entrepreneurial education aims to produce graduate that capable of identifying opportunity and develop business venture, through establishment new business or develop and favour which grew an existing effort. It focuses on encouraging student apply enterprising skills and nature to one more context range, including new business or existing, non-governmental organization, public sector, and social enterprise.

Entrepreneurship has become an everyday buzzword. Policymakers, economists, academics and even University students are talking about it. Entrepreneurship or doing own business has remained one of the biggest occupations and a source of income since the earliest economies and markets emerged on the face of earth. In the primitive and old societies the men who were having various skills like making the simple weapons used those skills to ensure their continued livelihood and existence. (Zegeye, April 2013)

Today in world economy, self - employment option become as a stable and occupation that is increasingly pulled to participate, especially where there will be unemployment hardship increased exist. Especially, entrepreneurship is main engines that spur economic growth of many countries, innovation and competitiveness. That is why; courses in entrepreneurship are also becoming a popular at most college and university levels.

Entrepreneurial education has increased significantly in most industrial countries. University increase their efforts in encouraging entrepreneurial awareness programme so that encourage entrepreneurial intention and their student entrepreneurial activity. Presumption that is important education programme underlie in entrepreneurship is entrepreneurial skills can be taught and exceed personality stable aspects.

Recently, purposes interest entrepreneurship as entrepreneurial activity background, like create a new business, has been accentuated to most institute in Malaysia. This is because entrepreneurship play an important role for new venture creation; effort expansion that is existing, economic development of the country, social and technology.

This is one of a useful way drive a student become one successful entrepreneur also increase economy of a country. Furthermore, respected students total is increasing and most of the students are now apparently looking to a business education that would complement them with entrepreneurial knowledge need and skill succeed in handling business.

1.3 Problem Statement

Nowadays, universities are increasing their efforts to develop entrepreneurship awareness programmes in order to promote the entrepreneurial intention and entrepreneurial activity of their students because the inclination of the student to be an entrepreneur is still under study.

Most of the higher institution maybe faces the same problem which is have they deliver the lesson effectively to the student. Besides that, most of the student that takes business study did not tend to be an entrepreneur when they have finished their study. Most of them are willing to work office hour rather than become an entrepreneur. This is maybe due to; there are no moral supports from family. Family is more encourage students to work in the office over to be an entrepreneur.

Besides that, there are many students that take this course because they just want a degree. This is because if they have a degree, the rates of wages are more than just having the diploma. Others problem may be due to current method of entrepreneurial education emphasis more on theoretical part rather than practical

part. However the students are supposedly been expose to entrepreneur world not just learn it in the classroom.

Apart from that, the higher institution itself does not provide a stimulus to the student to practice entrepreneurship activity. The higher institute must provide a place for students to start a group business like renting a shop for each class. Not only that, the institute should donate some funds for each class for them to conduct their business using capital funds granted.

Moreover, the student itself does not have any courage to become an entrepreneur. Most of the student afraid to take risks in business because starting a new business they required a lot of capital. Not only that, the business requires patience very high to make a profit.

Government have done too much effort so that many of graduate's students become an entrepreneur. To encourage graduates students become an entrepreneur, a lot of training programme have been done by the government. Besides that, most of the higher institutions make an entrepreneurship subject as a compulsory subject. However, the results shows that not many of the students end up become an entrepreneur. Despite this, our understanding of the effects of entrepreneurial education on venture creation intentions remains limited (Basu, 2010), especially when it comes to a more detailed view on two issues:

- (1) The mechanisms through which education influence intentions; and
- (2) The relative effectiveness of the various forms of education.

Therefore, this research will study the effect of entrepreneurial education on entrepreneurial intention among the higher institution in Melaka.

1.4 Research Question

Based on the research topic, this research paper will answer on question or problems as stated earlier in the problem statement section. Therefore, two research questions which would indicate and identify the two core ideas are:

1. Does the student's demographic factor affect their entrepreneurial intention?
2. Does entrepreneurial education affect student intention to be an entrepreneur?

1.5 Research Objectives

There were two main objectives to be achieved for this research and act as the focal point for the study. These two objectives will cater the problems which has stated. The objectives for this research are:

1. To evaluate the effect of the student's demographic factors on entrepreneurial intention.
2. To analyse the effect of entrepreneurial education on student's entrepreneurial intention.

1.6 Scope of Study

The scope of the research will only focus on the impact of entrepreneurial education as the independent variable and entrepreneur intention as the dependent variable. Particularly, this research attempts to examine the relationship between entrepreneurship education and university students' inclination towards entrepreneurship. The scope in this study is focus on engineering students and business students at higher institute around Melaka. The respondent involved 220 students and this amount is using for sample survey in this study.

1.7 Limitations of Study

The sample for this research is limited to engineering students and business students from higher institution around Melaka. Based on several constraints the samples taken are only from nearest area; specifically higher institution that near to city campus of UTeM. This research will utilize the survey method to achieve the stated objectives by using the closed questionnaires instrument.

1.8 Importance of study

Government

The government can make decisions as one of the input information in policy formulation and rule encouraging more students participate entrepreneurship.

Lecturer

Lecturer will help student by giving motivation to students on entrepreneurial interest. These will help students in the future to build self-confidence deepen entrepreneurship as a career.

Agencies involved

Agency involve intensify the effort in exposure matter and facility to students with a tendency to be entrepreneur will continue with their interest intention.

CHAPTER II

LITERATURE REVIEW

2.1 Entrepreneur

The word entrepreneur originates from the French word, *entreprendre*, which means to undertake. In a business context, it means to start a business. According to Merriam-Webster, definition of an entrepreneur as one who organizes, manages, and assumes the risks of a business or enterprise.

According to Schumpeter (1934), he defines the entrepreneur as an individual who commits welfare reform or innovation to the organization itself. He also said there were several changes made by individual entrepreneurs.

According to Global Entrepreneurship Monitor (GEM) (2008) there is wide agreement on the importance of entrepreneurship for economic development. Entrepreneurs drive innovation: they speed up structural changes in the economy and